THE

PURCHASE CLAUSES

OF THE

IRISH LAND ACTS.

SPEECH MADE IN THE HOUSE OF COMMONS,

ON THE 2nd OF MAY, 1879,

AND

PAPERS WRITTEN ON THE SAME SUBJECT,

BY THE

RT. HON. G. SHAW LEFEVRE, M.P.,

First Commissioner of Her Majesty's Works and Public Buildings.

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PREFACE.

The notice of a motion in the House of Commons, by a prominent leader of the Opposition, Mr. W. H. Smith, to the effect that "Further legislation is imperatively required to provide facilities to enable tenants in Ireland to acquire the freehold of the land in their occupation on just and reasonable terms," induces me to reprint a selection of what I have written and spoken on the topic at a time when the expediency of such legislation was less generally accepted.

My connection with the subject commenced in 1877, when I moved for a Committee of the House of Commons to enquire into the causes of the failure of those clauses of the Irish Land Act of 1870, which are popularly known as the "Bright Clauses." The Committee investigated the subject during the greater part of two Sessions. The Draft Report, which as Chairman I submitted to the Committee, was republished last year in a volume, entitled "English and Irish Land Questions." Its recommendations were in the main adopted by the Committee in its final report in 1878. When, therefore, Parliament met in 1879, it was to be expected that the then Government would propose some legislation on the subject. This not being the case I moved on the 8th of May, in that Session, a resolution to the effect that "in view of the expediency of a considerable addition to the number of owners of land in Ireland among the class of persons cultivating its soil, it is expedient that legislation should be adopted without further delay for increasing the facilities proposed with this object by the Land Act of 1870." The motion was met in the first instance in an adverse spirit by the Irish Secretary, Mr. Lowther; so strong, however, was the expression of opinion in its favour from all parts of the House, and from all sections of Irish members, that the Government felt itself constrained to give way, and the leader of the House, Sir Stafford Northcote, finally accepted the resolution on the part of the Government, and expressed the hope that before the end of the Session they might be able to make some proposal which would advance the

object of the motion. Notwithstanding this, however, and in spite of the terms of my motion that legislation should be adopted "without further delay," no action was taken upon it in that Session; and when Parliament again met in 1880, no promise was made of any legislation, nor was any response made to the challenge by myself and others on this subject. In the interval, several prominent members of the Government expressed their objection to a policy favouring the creation of peasant proprietors. The Irish Secretary made no secret of his objection to this form of legislation. Lord Beaconsfield, in a speech at Aylesbury,* pronounced against the general principle of "peasant proprietors," and explained that by an economic necessity the land produces three profits, and that it was most advantageous to the country that these three profits should be divided among three classes, the landlords, tenant farmers, and labourers. No reservation was made in favour of Ireland. The same line was also taken by the Duke of Richmond in a speech at Chichester,† who stated that in his view "peasant proprietors were not wanted by the general public; that hundreds of years ago there were such things, but that the system was not one which commended itself to the present generation."

Lastly, no one took greater pains to denounce this policy, or to shew the inexpediency of applying it to Ireland, than the then First Lord of the Admiralty, Mr. W. H. Smith, who devoted to this subject the whole of a speech of considerable length, delivered to his constituents at Exeter Hall, on the 31st of January, 1880, on the eve of the meeting of Parliament. In the course of this speech he dwelt on the impolicy of converting tenants into owners of land in Ireland. Referring to Mr. Bright's scheme—"That some means should be taken by which the occupiers of farms in Ireland should be transformed into owners, and that this should be done by a process which should be absolutely just, not to the tenant only, but to the landlord himself,"—he said that he "had a difficulty in realising the magical ability of the man who could frame a scheme." . . . "He desired by all means in his power to improve the position of the occupier of land in Ireland. He desired to make him independent in the truest sense of the term; but he declined to be a party to a sham remedy." . . . "Do not let us," he added, "have proprietors hopelessly mortgaged to the State, for either the State will turn them out, or else a time

* 18th September, 1879. † 10th December, 1879.

will come when a Government will be in power that will say, 'The instalments must not be insisted upon; a grant must be made to these honest people; the lands were never intended to be paid for; and the poor people would pay for them if they could.'" . . . "And it is our duty to say that while it is our most earnest desire to benefit Ireland by every means in our power, we cannot adopt this medicine."

If I refer to these past speeches of members of the late Government, it is with no feeling of surprise or regret that they now are of a different opinion. Many things have happened since then, and it may well be that considerations are now entertained which were not then in their limited political purview; nor is it to be wondered at that as converts they should now be prepared to rush to the opposite extreme.

In the winter of 1880, when the subject of Irish land legislation was under consideration of the present Government with a view to legislation in the next Session, I prepared, at the request of Mr. Gladstone, a memorandum on the subject of the Purchase Clauses of the Act of 1870, in which, while strongly advocating the extensions recommended by the Committee of 1878, I pointed out the limits within which it appeared to me to be wise to restrain the loan of State money for the conversion of tenants into owners, and shewed that such a measure could not be a general remedy for the evils complained of by the Irish tenants. This memorandum is now published in the belief that it may assist in the discussion of the limits within which it may be prudent to extend the principle of the Purchase Clauses.

The Irish Land Bill of last Session incorporated my proposals to the Committee of 1879 almost in their integrity; and this part of the measure was accepted by Parliament with little discussion and without opposition, save from a few who considered its provisions might be more liberal. It was contended, however, by its supporters that these clauses, as they stood, were extremely liberal, that properly worked they would greatly facilitate sales of land by landlords to their tenants, that they would consequently tend to raise the price of land, and assist landlords in the disposal of their lands. In this view I republish an extract from an article written by me in the *Nineteenth Century* for June, 1881, in defence of the Land Bill, and in which I pointed out on the one hand the liberal nature of the Purchase Clauses, and on the other the danger of pressing these clauses too far, to the point of leading directly and inevitably to the general expropriation of all land-

lords in Ireland at the expense of Imperial credit. Lastly, I republish a letter which I wrote in the autumn of last year to Professor Baldwin in answer to a request that I would express my opinion as to the expediency of creating a Joint Stock Company to assist tenants in becoming the owners of their holdings under the Purchase Clauses of the Act of 1881 by lending to them the balance of the purchase money. Professor Baldwin was shortly after appointed a Sub-Commissioner under the Land Act for determining judicial rents, and was thereby precluded from prosecuting his efforts for putting into effect the Purchase Clauses. The letter, however, shews, I think, the financial possibilities of the clauses in question. I am informed that the Irish banks have been in the habit of lending money to tenants upon the security of their tenant right at 5 or at most 6 per cent. There can be no reason, therefore, why they should not readily lend on a second mortgage upon the holding bought by a tenant, and on which the State has advanced three-fourths of the purchase money; for the tenant's interest by the purchase is merged in the fee, and the holding thus increased is good security for the balance of the purchase money. Such an operation, however, must of necessity require security that occupiers of land, whether they be tenants or owners, will fulfil their obligations and pay their rent or the interest on their mortgages.

That the clauses of the Land Act of 1881 have not as yet produced any considerable result should not be matter for surprise; the first necessity for their operation is that there should be some general measure of value of the land to be dealt with, and this cannot be arrived at until the Sub-Commissioners have been at work a sufficient time, so that the owners of land and their tenants may be able to form some opinion as to the letting value of land, from which alone its selling value can be determined; but, secondly, even more important is it that there shall be some security throughout Ireland as to the payments of the rents, whether determined by the Commissioners under the Act of last year or not. How can it be expected that any tenant would pay money down or enter into any obligation to pay interest for money borrowed for the purpose of becoming the owner of his holding, while there is any prospect, however remote, that he may hold his land for nothing, or at a rent reduced to a prairie value upon the principles recently advocated by the Land League or its leading members? Until these principles are either stifled by the strong power of the Law, or are disavowed by those who put them

forward, and who claim to represent Irish opinion, it is idle to expect any action under the Purchase Clauses of the Act of last Session.

In the meantime, however, there has arisen among a large number of landowners in Ireland, a desire to part with their properties let on tenancy; they have consequently become more anxious to extend the facilities of the Act for enabling tenants to become purchasers; and it may be that it will be wise to take advantage of this opportunity of effecting at once and by a large operation what was intended should be done more gradually and over a period of years. It is unnecessary to point out that such a movement can meet with no objection in principle on the part of those who believe in the advantage to Ireland of a peasant proprietary; the question, therefore, as to the mode and as to the limits within which such an operation can safely be entered upon and carried out with due regard to the interests of the general taxpayer on the one hand, and of the economic well-being of Ireland on the other, is well worthy of being discussed, and is not likely to raise any party conflict.

I have added a table shewing the position of an occupying owner, who has bought his holding under the assistance of the Act of 1881, for each year while the annuity to the Government is payable.

THE "BRIGHT" CLAUSES OF THE IRISH LAND ACT, 1870.

A Speech delivered in the House of Commons, 2nd May, 1879, in moving a Resolution, that

"In view of the importance of a considerable addition to the number of owners of land in Ireland among the class of persons cultivating its soil, it is expedient that legislation should be adopted, without further delay, for increasing the facilities proposed with this object by the Irish Land Act of 1870, and for securing to the tenants of land offered for sale, the opportunity of purchase, consistently with the interests of the owners thereof."

The House will perhaps remember that two years ago I moved for a Committee to enquire into the causes of the failure of those clauses in the Irish Land Act which had been happily named the "Bright Clauses," after my right hon. friend, who originated them, and which had for their object facilitating tenants of land in Ireland becoming owners of their holdings, with the assistance of State loans at a low rate of interest. In moving for the Committee I founded my case for enquiry, not merely on the failure of these clauses, but on the great success which had attended similar clauses in the Irish Church Disestablishment Act, due to the same inspiration, which gave to the tenants of the Church lands a preferential right of purchase, and which had resulted in from 4,000 to 5,000 tenants becoming owners of their holdings. In fact, my right hon. friend, the member for Birmingham, was like the sower who went out to sow; some of his seed fell on good ground—as where it fell on the Church lands—and it sprang up and increased, but other fell among thorns; and I shall have to shew how official thorns grew up and choked it, so that it produced no fruit. The Government assented to the appointment of a Committee with unanimity. The

right hon. Baronet, then the Chief Secretary for Ireland (Sir Michael Hicks-Beach), in assenting to the Committee, stated that:—

"No one who had carefully considered the question could doubt that it would be advantageous to Ireland, that the number of persons possessing a proprietary interest in land should be considerably increased. It was intended to bring about this result by the Land Act of 1870 and the Amending Act of 1872."

He went on to express the opinion that the cause of failure of the clauses was that the—

"Persons who are now the occupying tenants in Ireland did not, as a rule, desire to buy their farms. The fact was that those persons were so contented with the position of tenants that though willing to give extraordinary sums for the right of occupation, they did not care to, as it appeared to them, unnecessarily waste their funds by purchasing the freehold" [3 Hansard, ccxxxiv. 174-5.]

The right hon. gentleman will scarcely abide by this last statement after the evidence of my Committee. But he will, I think, be confirmed in the first part of his statement. I hope it still expresses the opinion of the Government. I have put the words of the right hon. Baronet at the head of my motion to-night. I ask the House to affirm the proposition that it is of national importance to increase the number of owners of land, and to give effect to it. The Committee sat for the best part of two Sessions and took most valuable evidence as to the working of the clauses of the Land Act and the Church Act, and as to the general expediency of going further in the same direction. When the enquiry was concluded the Committee rejected, by a strict party vote, a report which, as Chairman, I submitted to them, and adopted as the basis of their report a mild and neutral production of the right hon. and learned member for Dublin (Mr. Plunket). When, however, the Committee came to consider the details of this report, a change of scene took place. The force and weight of the evidence produced its effect, and amendment after amendment was made in the report, till it lost its original character. The Committee unanimously added to it the expression—

"That it is very desirable that increased facilities should be given to the tenants to purchase their holdings, and that when estates are offered for sale in Ireland there is a general desire on their part to purchase their holdings."

A majority of the Committee then added these words:—

"They believe that a substantial increase in the number of small proprietors would give stability to the social system, and would tend to spread contentment, and to promote industry and thrift among the Irish tenantry."

On the motion of my right hon. and learned friend the member for Londonderry (Mr. Law*) the Committee by majorities of eleven to seven then proceeded to adopt amendments which practically grafted upon the not very valuable stock of the right hon. and learned member for the University of Dublin, the conclusions of my own report and eventually carried it as far, if not farther, than mine; and if I recollect right the hon. and learned member (Mr. Plunket) was eventually unable to vote that his amended report should be presented to the House. The subject thus comes before the House and the Government commended by a great weight of authority. The original clauses of the Land Act were adopted unanimously by both Houses. The Committee was agreed to unanimously. The Committee reported in favour of a substantial increase to the number of small owners. The Government, it seemed to me, was bound in honour to legislate on the subject. When, therefore, at the commencement of the Session, the Chancellor of the Exchequer informed the House that the Government had no proposals to make on the subject, I was greatly surprised. They had no legislation before the House affecting Ireland except a little Bill for the taxation of dogs. They cannot plead want of time. There is always time for a popular and good measure, as the Intermediate Education Act of last year proved. I should have thought they would have been eager to meet the wishes of the Irish people on this matter, and to move in a direction so truly Conservative in its best sense as that of giving further facilities for the creation of a class of peasant proprietors. In view of this neglect of the Government to deal with the question, I have felt it my duty to frame a resolution on the subject, and although to many the principle of the "Bright Clauses" may appear to be admitted, I must briefly state the reason why exceptional legislation is necessary in Ireland with this object.

The reason is not far to seek. It lies in the extraordinary condition of the landownership of the country, to which there is no parallel, as far as I know, in any part of the civilised world.

* The present Lord Chancellor of Ireland.

It is only within the last three years we have known the exact state of landownership in Ireland, and have been able to compare it with that of England. A return prepared by the late Government when the Land Act was under consideration, shewing the number of owners of land in Ireland of above one acre, exclusive of town districts, gave a total of under 20,000. From this has to be deducted duplicate entries, glebes, &c. It may be safely stated there are about 16,000, of which 12,000 own above 100 acres each. Of owners between one acre and fifty acres there are only about 3,000, and they own between them 1-250th part of the area of Ireland. Of the 500,000 occupiers of land below fifty acres it may safely be said that, apart from the recent sales to tenants under the Church Act, not one in 200 is the owner of his holding. If we compare this state of things even with England the difference is very great. England is not a country of many landowners. Many of us deplore the decrease of the yeoman class here, and believe that it would be well for the country if land could be more within the reach of all classes. But England is a country of many landowners compared with Ireland. It is safe to say that, taking the rural parts of Ireland and England as nearly as possible similar in condition, there are in England ten times as many owners of land between one and fifty acres as there are in Ireland. When we compare Ireland with any other known country, the difference is more extraordinary. In the Channel Islands alone there are more yeomen farmers holding between one and fifty acres than in the whole of Ireland with five hundred times their area. Yet Ireland is a country where there is a passion for land; where often incredibly large sums are given for the mere right of occupation—sometimes equal to twenty-five to forty times the rent. Now the Incumbered Estates Court was intended to do something to increase the number of owners of land in Ireland. Since its establishment, in 1848, one-fifth of the land in Ireland has passed through it, and has been sold and freed from incumbrances. It passed into the hands of about three times as many persons as owned it before. But this has not been an unmixed good. None of these purchasers were tenants. Large numbers of these purchasers were the shopkeepers of the town, who have looked at their purchases from the simple point of view of screwing as much rent as they could out of the land. They entered upon their properties without any knowledge of the traditions of the former owners, or any regard for the customs of

property. This is the class of purchasers most dreaded by the tenants at will. I find from an enquiry made through the Constabulary at the time the Land Act was passed, that of 1,225 properties reported or known as purchased under the Incumbered Estates Acts, rents were considerably raised immediately after the purchase in 533 cases; consolidation of farms was enforced in 520; and 57 cases of agrarian outrages occurred in consequence. I ask the House, then, to recollect that it is at the moment of transition from one landlord to another, at the time when property is put up for sale in the Landed Estates Court, that the desire on the part of the tenant to protect himself by acquiring the freehold most arises. He is afraid of the entry of a purchaser who knows him not, and who will screw up the rent, irrespective of his tenant-right. If, then, we can arrange so as to secure to the tenants the opportunity of purchase at this point, not only should we do good by increasing the number of small owners, but we cut off one of the greatest sources of evil and complaint. What good might we not by this time have effected if, at the time the Incumbered Estates Act was passed, thirty years ago, and when land for many years sold at a very low price, effective clauses had been passed to enable the tenants to buy?

The state of landownership to which I have called attention has two defects and dangers—the one political and social, the other industrial and agricultural. The political dangers must be palpable to everyone who merely looks at the numbers. On the one side we have 12,000 landowners, many of whom are conspicuous for their absence from Ireland; on the other 600,000 small tenant-farmers on yearly holdings—tenants who have now, under the Ballot, acquired complete political rights of independence, and who have the political representation of Ireland almost entirely in their hands. I ask whether this is a position of stable equilibrium, and a condition of things where property rights are likely to be safe, or where property is likely to have its proper influence? When I was last in Ireland the agent for some of the largest properties there told me that he had been convinced of the absolute and pressing necessity for extending the operation of the "Bright Clauses" by the action of the Ballot. He said that in the district for which he was agent there were 6,000 to 7,000 small tenants and but two landowners, who were seldom resident in the country. Throughout a district of 60,000 to 70,000 acres there were but two persons permanently interested as owners in the soil. Before the Ballot he said the landlords

exercised a considerable political, and therefore conservative, influence over their tenants; but the Ballot had absolutely destroyed this. He considered that both for Imperial and for local purposes, in the interest of government, and order, and property, it is absolutely essential to reinforce as much as possible the class of landowners, and the only way of doing this is to increase, not the number of small landlords of the shopkeeper class, who make the worst of landlords, and who cause all the cases of hardship complained of, but by endeavouring to create a yeoman class, who will have all the interests of landowners. I am satisfied that this opinion is growing widely, even among the class of persons who are interested in maintaining the system of landlord and tenant. There came as witnesses before my Committee three land agents for some of the largest properties in Ireland—and we must recollect land agents there are a very much higher class of persons than those in England—and all gave evidence to the same effect.

Major Dalton, the agent for Lord Headfort's large estates in Cavan and Meath, said:—

"I think the creation of a class of peasant proprietors would be a most Conservative measure, not using the word in a political sense, but as giving the occupiers of land that which they have not got now, namely, an attachment to the Constitution under which they live."

Mr. Vernon,* the agent for Lord Bath's property, said:—

"An increase in the number of owners will give stability to the State, and will in the true and highest sense of the term be a Conservative measure."

Mr. Samuel Hussey, agent for very large properties in the South of Ireland, said:—

"An increase in the number of small owners of land would give us a class of jurors who are not connected with property as tenants, and would tend to check the agitation which is going on for taking possession of the landowners' property and giving it to the tenant class."

I believe these opinions represent the views of the thinking men among that class. I am constantly receiving letters to the same effect. I could have multiplied such evidence tenfold. Lord Dufferin, on his return from Canada, expressed to me the same opinion. He told me he had urged on the present Government, in the strongest manner, the necessity for dealing with the

*Now one of the Members of the Land Commission.

question. It was the only means of preserving the rights of property. A speech which he made on his return from the Colony which he had governed so well, and in which he dilated on the enormous value to it of its yeoman class as giving stability to the social system and spreading content throughout the country, was evidently intended to contrast with Ireland. The other defect of the existing system is its industrial and agricultural effect. Ireland is a country essentially of small farms, as opposed to England, where large farms prevail. In Ireland there are 600,000 farm tenants, 500,000 of whom farm under fifty acres, and 400,000 under thirty acres. It is not necessary that I should enter upon the question whether small farms or large farms form the best system of agriculture. Ireland has an almost universal system of small farms and is certain to retain it. No one in his senses can contemplate the possibility of raising one out of ten or twenty of her small tenants to the condition of the large farmers in the English shires, or of depressing all the others to the condition of the Dorsetshire labourers. Now, all experience from every part of the world, all the conclusions of anyone who has considered the question, from economists such as Adam Smith and Turgot to Mill and Bastiat, and from agriculturists such as Arthur Young to Lavergne, are to the effect that a system of small farms can only be successful, can only produce its best results when largely combined with ownerships; when a large part of the tenant class are owners of the land they occupy, and others can live in hopes of becoming owners; and for these reasons—first, that it is only the sense of ownership, or the hope of ownership, which can supply that stimulus, and that industry, and that thrift which will make a small farm successful; and, secondly, that where a system of very small farms prevails it is impossible for landlords to effect the improvements—to undertake to build houses and farmsteads which are so multiplied on the estates. With small farms these improvements must be effected by their occupiers, and they will not be effected sufficiently except under the security which ownership gives. I could quote hundreds of authorities on this point.

I content myself with one—an authority who must carry weight with English landowners, for he was the apostle of the English system of large farms. I mean Arthur Young. Arthur Young, we all know, spent three years in travelling in France and North Italy, from 1787 to 1789, just before and at the time of the

Great Revolution. At that time the cultivation of great part of France was, as now, by small farmers, but the mass of them were then merely tenants; but in parts of France there were considerable numbers of small owners of land. Throughout the whole of his description we find the most marked distinction drawn between the condition of the small tenants and the small owners. Everywhere he speaks of the wretched condition of the small tenants. He frequently compares them with the Irish tenants. He is loud in his complaints of the neglect of their landlords, and of the miserable cultivation and wretched homes. When he was in these districts where small ownerships prevailed, his accounts are almost invariably the reverse. Speaking generally of them, he said :—

"The unremitting industry of these small owners is so conspicuous and so meritorious that no commendation could be too great for it. It is sufficient to prove that property in land is, of all others, the most active instigation to severe and incessant labour."

In the district of Dunkirk, speaking of a number of small owners who had turned the blowing sands of that country into smiling country farms, he used the expression which has become a proverb—"The magic of property turns sand into gold."

Speaking of the district near Gange, he said :—

"An industry and activity has been here that has swept away all difficulties before it, and has clothed the very rocks with verdure. It would be a disgrace to common-sense to ask the cause—the enjoyment of property must have done it. Give a man the secure possession of a bleak rock, and he will turn it into a garden. Give a man a nine years' lease of a garden, and he will convert it into a desert."

Arthur Young, notwithstanding his own testimony as to the results, was not favourable to the system of small ownerships. He preferred the English system. He saw the danger of sub-division of these small properties in France ; he believed and prophesied that this sub-division would end in a vast system of paupers. His opinion was followed by many other economists. M'Culloch, writing in 1823, said :—

"France under such a system must become the pauper warren of Europe, and along with Ireland, have the honour of furnishing hewers of wood and drawers of water for all other countries in Europe."

I need hardly point out what was the effect of the violent measures of the time of the Great Revolution in France. Vast masses of tenants were converted into owners; 600,000 tenants of the Church property became owners of their holdings by purchase, paying for them in *assignats;* 400,000 tenants of the *emigré* nobility became owners in the same way. Vast numbers of other feudal tenants were relieved of feudal charges and became absolute owners, and it resulted that one-half of the area of France came into the possession of its cultivators and remained so. However deplorable the methods by which this was brought about, no one can doubt that the change from tenancy to ownership of this vast number of small occupiers has been productive of enormous benefit; that it has immensely increased the productive power of France. The industry, thrift, and saving of her small owners are the theme of all Europe. They have carried her safely through the enormous losses of the German War. This class also forms the Conservative class of France, which has saved her from the Commune. So far from having degenerated into "a pauper warren," the complaint is rather the reverse. Her population increases more slowly than in any other country in Europe, while her wealth increases more rapidly. Pauperism in the rural districts is almost unknown. In the most interesting reports from our Ministers abroad on the tenure of land, published in 1867, is to be found a paper by Mr. Sackville West, the late Secretary of the Embassy in Paris, giving a description of the material prosperity of the small owners in France. He says:—

"They will generally be found in easy circumstances and living always in the hope of bettering them, and it is this hope which absolute possession engenders in them that stimulates them to fresh exertions, beneficial not only to themselves, but to the community at large."

But there is one aspect of this enormous change from tenancy to ownership I should like to bring under the attention of the House. I mean its effects upon rights of property in respect of other land. I have already pointed out that about half the area of France belongs to small owners, and is cultivated by them; the other half is let out to tenants numbering more than 1,000,000, and, as a matter of fact, there are twice the number of large farmers in France that there are in England. Mr. West, writing, before the Irish Land Act, of the relation of landlord and tenant in this great area of France, says:—

"The present relations of landlord and tenant in France resemble those in Ireland, so far as the law is concerned. Eviction can be enforced upon any contravention of agreement, and compensation for improvement depends upon agreement, and constitutes no legal claim upon the landlord. It would seem that the Irish and French systems are identical, and what has caused in the one agrarian outrage and discontent has in the other been productive of social order and contentment. But it must be borne in mind that 75 per cent. of the agricultural population in France are proprietors. In this fact consists the difference, a difference dependent upon the ownership of land by the masses as opposed to the ownership of land by a minority. Tenant-right and fixity of tenure are phrases rarely if ever heard in France."

I have not time to follow out the changes which have been made in other countries in Europe during the last fifty years. All are in the direction of favouring the substitution of absolute ownership for tenancy of small holdings. In Prussia and the North of Germany this operation was facilitated by the establishment of Land Credit Banks, assisted by the State, which lent money to buy out the landlords, repayable by instalments spread over a term of years. In Austria, Bavaria, and Wurtemburg, loans of the same nature were made by the State directly to the tenants. It is interesting to observe that everywhere the first step taken was to sell the Church lands to its tenants. It is only in England that the Church property was appropriated by the wealthy landowners. Even in our own day many may remember that the Church lands in Italy have been sold, to a great extent, to the tenants; and in Sicily alone 16,000 tenants have been able to purchase Church property which they had previously occupied. The beneficial result of all these changes may be followed in the reports of our Ministers to whom I have alluded. I will only quote one more authority on this part of the question, with reference to a country rather peculiar—Flanders—where there is a considerable number of large properties, and where there are also a great many small properties, many of which are let by their owners at rack-rents of the highest amount that can be extracted. M. de Laveleye, speaking of this country, says:—

"The distribution of a number of small properties among the peasantry forms a rampart and a safeguard for the owners of large estates, and the peasant proprietors may, without exaggeration, be called the lightning conductor, which averts from society dangers which might otherwise lead to great catastrophes."

Can anyone doubt, I ask, in the face of so much authority as to the superior merits of a system of small ownerships to a system of small tenancies, that we should do well to move forward in Ireland in the direction I propose? We have already as I have explained, made two such attempts. The one under the Church Act has been eminently successful. About 4,500 tenants have been able to buy, assisted by having three-fourths of the purchase money left on mortgage, repayable by equal annual instalments, spread over thirty-two years. Even more could have been able to buy had it not been for a rule laid down by the Commissioners, which treated the very small tenants less favourably. The property consisted of glebes, scattered about the country and in bad condition, and with a tenantry below the average. The tenants have given somewhat above the average price of land for their holdings—viz.: twenty-three and three-quarter years' purchase; about half the purchasers were able to produce the balance of the purchase money; the others obtained part of it from their friends, or borrowed it; much money was sent from the United States, or was produced by children in service. What has been the result of the operation? There cannot be a doubt, I think, that it is already very beneficial in two respects—that it has tended to promote industry and improvement, and that it has been the source of great satisfaction to those who find themselves now secure in their holdings. In their last report, the Church Commissioners say: "We continue to receive reports of improvements effected on their land by the new owners, and another year's experience confirms the opinion we have already given as to the beneficial results of the provisions of the Church Act for creating a body of small proprietors."

Mr. O'Brien, the valuator of the Church property, gave evidence of numerous improvements that are being effected already, and of the general content of the purchasers. Those who have borrowed the balance of the purchase money have been put to great straits, but they are paying it off. I myself have had personal experience, having visited some of the tenants who have bought their farms. It was impossible not to be struck by the evidence of content, and the spirit of independence which had been engendered by the purchase. Some were already effecting substantial improvements; others were only waiting till they had paid off the borrowed money. The chief feeling was that of satisfaction at having been spared the infliction of a possible

landlord of the kind I have alluded to—namely, the hard-fisted trader from the town. Among the witnesses examined before the Committee was a man named Degnan, a tenant who had bought his small farm of fifty acres from the Church. He told us that some years before, the incumbent of the living, to which the glebe belonged, had been made a Bishop, and his successor in the living had immediately raised the rents 50 per cent., promising not to do so again during his incumbency. This had quite taken the heart out of the tenants.

"If a man was seen draining a field the tenants would laugh at him, saying that their vicar would soon go away and be made a Bishop, and that then the rent would be raised."

In 1870, Degnan, hearing that the tenants under the Church Act would have the privilege of buying at once, began to improve. He built farm buildings at a cost of £400; he then bought his farm for £690, paying down one-fourth of the purchase money, "with a better heart than he had ever before paid money in his life." He told us that the tenants of an adjoining glebe, who had bought, "were working day and night to improve the land, on a moonlight night just as well as in daylight." Now, what was the cause of the success of these clauses in the Church Act? It was undoubtedly due, in the main, to the fact that they were carried out by men who believed in the policy of the work, and wished it to succeed; who were interested in carrying out the intentions of Parliament. They made the matter intelligible and simple to the tenants. They relieved them of trouble and of law expenses. All the tenants had to do was to sign a paper and find one-fourth of the purchase money. Now, in the face of this evidence it was impossible not to come to this conclusion—namely, that the Irish tenants are most desirous of availing themselves of the opportunity of becoming purchasers of their holdings. But when we turn to the "Bright Clauses" of the Land Act, the failure has been as conspicuous as the Church Act was a success. During six years only 600 tenants have been able to buy their holdings under it, or at the rate of 100 a-year. I am sorry to say that the cause of this failure of this part of the Act is, in a great measure, to be found in the fact that the working of it did not fall into the same careful and zealous hands as those which the Church Act fell into. There were three departments of State interested in carrying out these clauses—the Landed Estates Court, the Board of Works of Ireland, and the English Treasury. In none of these did the measure find any friends or any person interested in

pushing them on or in removing any difficulties which naturally arise in working a new scheme. Technical difficulties were allowed to prevail. No suggestions of amendments were ever made. In the Landed Estates Court two years were allowed to elapse before any notices were issued to tenants of properties advertised for sale in the Court. When they were issued no explanations were given. The tenants were invited to come up to Dublin on the very slender chance of having an opportunity of bidding for their holdings, and they were subjected to legal expenses. In the Board of Works Department, difficulties were opposed to the tenants obtaining the full amount of the loan offered by the Act; and in most of the early cases the proportion rarely amounted to more than one-half the purchase money, and hundreds of tenants went away disappointed at finding they could not get a larger proportion. Many other difficulties I could name, especially the working of the Alienation Clauses, which have prevented tenants desirous of purchasing from giving security for any advances made from other quarters, and which have been construed as implying forfeiture of the holdings, even where the purchaser has bequeathed the property to his son. These, however, I say, are minor difficulties. If they had been removed possibly some, though not an important, increase of transactions would have taken place. The real difficulties in the way of working the Act are more serious. The Act contemplated two methods by which tenants might become purchasers—the one where landlords agree with their tenants by private contract for the purchase of their holdings, and facilities are given for the owners of limited estates to enter into these arrangements with the consent of the Landed Estates Court. Practically, this part of the Act has been a dead failure. Only thirty-six cases have occurred, only two of which were tenants for life. The difficulty is partly the cost of passing such cases through the Landed Estates Court, and partly, also, the fact that limited owners are greatly restricted as to the investment of the proceeds of such sales. They can only invest in Consols, and it is not worth while to sell land paying 4 per cent. and over for the purpose of investing in Consols paying 3 per cent. The other opportunity afforded by the Act was this: Under the 46th Section of the Act the judges of the Landed Estates Court were directed in the case of all property sold in that Court to offer reasonable facilities to tenants desirous of purchasing their holdings, by making lots or otherwise, so far as

this could be done without detriment to the interests of the owners, and they are directed to hear the Board of Works on behalf of the tenant. As nearly all the land sold in Ireland passes through the Landed Estates Court for the purpose of getting an indefeasible title, and is sold by auction there, it was hoped that a large number of tenants would have this opportunity of buying. In fact, however, very few of the tenants, however willing to buy, have had the opportunity. About £6,000,000 worth of property has been sold in six years in the Court, with about 12,000 separate holdings, but only 500 tenants had been able to buy— or less than one in twenty. This has not been for want of desire or want of means, for hundreds of tenants have come up to the Court, and have been put to heavy expenses in attending before the officers of the Court—whose duty it was to lot the properties —in the hope of being able to bid, but have found that no opportunity was ever given to them, and have gone away disappointed. Properties have not been put up in lots so as to enable the tenants to bid. Those who have bought have paid considerably above the average price of land — namely, twenty-five years' purchase or two and a half years' purchase above the average price of land in Ireland, and their costs have averaged 10 per cent. on the purchase money. The difficulty was one created by the residues. The properties are generally put up for sale in lots corresponding with townships, and, on the average, included twelve or fourteen small farms. Of these it might be that seven or eight tenants were ready to buy; but there would remain a residue which might be difficult to sell or which would cause delay, and the judges and their officials are unable to say, You must take from some of the tenants a higher price, and run the risk as to the remainder. I cannot but think that the experience of the Church Commissioners as to the price obtained for the residues of their estates not sold to the tenants shews that this difficulty is much less than was supposed, and that means might be found for overcoming it; but undoubtedly it is the fact that owners are very unwilling to break up their properties into lots so that the tenants can buy, and the judges will not take upon themselves any discretion in the matter; and the result has been that hundreds of tenants have come up to the Court, have attended before the Examiner of the Court, when properties were lotted, were ready to give a higher price than the average price of land or than the average for which it finally sold, but were sent back disappointed, because

the bfficer of the Court was unwilling to run any risk in directing that the lots should be put up, so as to enable the tenants to buy. Judge Flanagan came to the Commissioners and explained that the 46th Section had put upon his Court an impossible duty. He said :—

"The 46th Section of the Irish Land Act is one which in my opinion it is almost impossible to work. I mean, to work in the sense of enabling the tenants to purchase their holdings to any considerable amount. It has imposed upon the Landed Estates Court a duty which it is almost impossible to work."

I do not myself appreciate the difficulties of the case so fully as they appeared to weigh upon the judges, but it is obvious that when a judicial and administrative duty is thrown upon a court of law, and the judges say that they cannot act, it is not at all probable that any result will flow from the Act, or that the intentions of Parliament will be carried out. It seems, therefore, necessary that some other scheme should be adopted. This is all the more necessary, because a recent case decided by the Court of Appeal since the Committee sat has even more completely nullified the intention of the Act, and, in the opinion of the officers of the Court, rendered impossible any considerable sales to the tenants. The Landed Estates judges had held that where properties were put up for sale in this Court, and the tenants had notice and were summoned up to attend the sittings, and when they were ready and willing to bid for their holdings, and give a higher price, the owners could not accept lower offers from other parties. In a recent case—probably the most important in respect of the number of tenants who were ready and able to buy which has occurred since the Act passed—140 tenants of a property for sale in Cork had arranged to buy in a group, they had been summoned to the Court, they had been put to great expense and trouble, and the 46th Clause appeared and was intended to give them a preferential right to purchase; they were prepared to give a very large price, larger by some thousands than were other purchasers; yet the Court of Appeal, over-ruling the Landed Estates Court, held that the owner was justified through a mere whim in selling the property to a person who had made a much lower bid and in thus depriving the tenants of the opportunity of buying. This may be law, but it is certainly a very hard case, and it shews the necessity for some change in the law. Now among the witnesses before our Committee was Mr. Vernon, the Governor of the Bank of Ireland, and the agent for many of

the largest properties in Ireland, and one of the most able men in Dublin. He concurred with Judge Flanagan as to the impossibility of working the 46th clause. He said :—

"The duty imposed by it upon the judges of the Court of selling preferentially to the tenants is an abnormal one to the true function—that of obtaining the best price for the owner."

He then went on to say :—

"Assuming that the Legislature desires to create a small proprietary or a body of small proprietors, I think that whoever sells the property to the tenant should be put in the position that the Church Temporality Commissioners were put into—that is to say, they must have absolute power. I think the property should vest in the State before it is conveyed to the tenant, and that the State should deal with the land as between itself and the tenant I do not think it will ever work otherwise. I think you should vest the property in the State—that means presumably in some Commission appointed by the State."

His plan was this :—

"Where an estate is for sale in the Landed Estates Court, it should be the duty of that Commission to send down a proper officer to report upon the value of the property and upon the conditions under which it is held, and to see all the tenants and to learn from them what price they are prepared to give, if any, for their lots. If the tenants say 'We will not buy,' then the Commission withdraws its action altogether, and leaves them to pass under the ordinary rules of sale to any purchaser. If, on the other hand, the tenants declare to buy their lots, then let it be for the Commission to see what price they will give. Add to that a fair percentage, which shall cover the expenses of the Commission, and then let them become buyers in the open market, free from the vendors, either by private or public sale. The vendors would not be damnified in any way; the judges of the Landed Estates Court would not have any conflicting duty at all; they would sell to the Commission precisely as they would sell to the outside public, and the Commission having thus bought would re-sell the property to the tenants."

Judge Flanagan fully concurred in this view, and said :—

"In the sense of enabling the tenants to become purchasers to any considerable amount, my view is that you will never have sales to tenants in any number until you adopt Mr. Vernon's suggestion. That is to say, you must sever altogether the duties

of the Court as selling on behalf of the owner from the duties of the Court as selling to the tenant. You must, as Mr. Vernon puts it, have some person who would, in the interest of the tenants, be prepared to buy *in globo* from the owner of the property, and then that body should re-distribute the property and sell it back to the tenants, if they had satisfied themselves by previous enquiry that such a transaction would be a beneficial and a safe one to undertake."

And he adds the important statement:—

"In my opinion it is the only way in which you can protect the interests of the owners of property, and it is the only chance you have of selling the property to tenants."

It is the essence of Mr. Vernon's plan that no transaction should be entered upon until the Commission has ascertained that all the tenants are prepared to buy, and will bind themselves to buy, or that such a proportion of them will buy as will practically make the transaction a perfectly safe one. He says it would be grossly to the discredit of the Commission if there was a loss, as they would be able to offer a sale upon more advantageous terms than anyone else—namely, that three-fourths of the purchase money would be left on mortgage. The scheme thus proposed by Mr. Vernon and Judge Flanagan to meet the difficulties of the case has met with the approval of many other important witnesses, and, finally, met with the approval of the majority of the Committee. There is some difference as to the body who should be entrusted with such duties. Judge Flanagan thinks the Landed Estates Court might be so divided that one of its judges and a part of its staff should undertake it; and the other be left to discharge the other duties of the Court. Others think a reconstituted Board of Works may be entrusted with it. For my part, though averse to a new Commission in Ireland, yet I believe it would be wise in the working of a new scheme—which should be worked tentatively and cautiously—to appoint a temporary Commission for this purpose, and to try it rather as an experiment with a limited sum. Such a Commission dealing with the question in this manner would at once get rid of many of the difficulties which now interpose. It would concentrate all the work now distributed between the Landed Estates Court, the Board of Works, and the Treasury. It would communicate directly with the tenantry desirous of purchasing any property for sale. It would relieve them of any law expenses. It would rather act as brokers for the

tenants, enabling them and helping them to combine together for the purchase of a property. But it would be in no sense a land-jobbing body; it would never act except upon the clear and definite condition that no loss would be realized; or unless such a proportion of tenants are prepared to buy as will make the transaction a perfectly safe one. The experience of the Church Commission as to the small difference in price between land sold to tenants and residues sold to the public shews that where there is a small residue it will be disposed of without loss. It must also be recollected that, without some such body, there are many properties which cannot be divided and sold to their tenants—properties subject to charges, annuities, rent charges, and the like; and it is only where a paramount power can buy and free such property from charges that the tenant has a chance of buying. It is my conviction that a Commission of this kind, working cautiously and tentatively, will find a way out of the difficulties, and lead to a considerable number of tenants being able to buy. It will also greatly facilitate such a transfer of the properties if the amount left on mortgage of the holdings be increased and if the Alienation Clauses be repealed. In submitting to this House this method of dealing with the case, I wish to do so in no dogmatic spirit. There may be other methods of arriving at the same end, and of overcoming the difficulties; and any one which achieves the result, or is likely to achieve the result, will be equally welcome to me. The object I aim at by my motion is a considerable increase to the numbers of small owners of land in Ireland, and the giving an opportunity to tenants of purchasing their holdings when the properties are offered for sale. I may say at once that the proposals which the hon. and learned member for the University of Dublin made to the Committee, though useful in their way, and most of them included in my own report as minor amendments, would not, I think, secure their objects. I shall be surprised if he himself ventures to say that they will secure them. I admit the difficulties of the case; but I believe they are not beyond the powers of practical statesmanship to deal with. If the Government approach this question with an earnest desire to accomplish a considerable work, if they use all the forces and influences of the State in aid of it, they will find that difficulties will disappear, that mountains will become molehills, and torrents merely summer streams. Above all, it will be necessary to commit the work, whatever it may be, to the hands of those who really

believe in it, who will work with zeal and energy, and, unless this be done, the best of schemes must fail. I have only, in conclusion, to add that, whatever Government succeeds in this work will confer a great boon upon Ireland. Every fresh band of small owners will, I confidently believe, become the nucleus of a new spirit of industry and improvement, the centre of a better spirit of contentment and loyalty, and a fresh bond of union between the people of the two countries.

MEMORANDUM ON IRISH LAND LEGISLATION.*

Although a strong advocate for an extension of the "Bright Clauses," and for giving State assistance by way of loans on favourable terms, for the creation of peasant proprietors in Ireland, I have never considered this method as capable of indefinite application, or as affording the means of dealing with the whole land question in Ireland.

Under the clauses as they stand, the Government advances to any occupier desirous of purchasing his holding two-thirds of the purchase money, repayable by equal annual instalments of interest and capital spread over thirty-five years. The effect of this is that the tenant purchasers have to find one-third of the purchase money, and they pay to the State for thirty-five years an annual sum which averages about 20 per cent. less than the previous rent. Among other difficulties in the working of this scheme has been the proportion of the purchase money required to be found by the tenant purchasers. The widest extension the scheme is capable of would be that the State should advance the whole of the purchase money up to twenty-five times the rent, and spread the repayment over a term of years, so that the annual payments should not exceed more than the previous rent. This term would be fifty-five years; *e.g.*, suppose the holding to be let at £10 per annum, and the purchase money £250, an annual payment of £10 for fifty-five years would, at 3½ per cent., repay the principal; of this £8 15s. would represent the interest, and £1 5s. the sinking fund.

On these terms it would undoubtedly be possible for the State to buy up a very large amount of land in Ireland, and to re-sell it to the tenants with no increased charge to them in the shape of interest as compared with their previous rent, and with a cessation of charge at the end of fifty-five years. Such a proposal, however, appears to me to be open to two grave objections:—

1. That the terms are so favourable to the tenants thus dealt

* A Memorandum prepared for the Government in January, 1881.

with that there would arise a strong demand from others for its universal application, and it would probably result in the expropriation of all landlords.

2. For fifty-five years the State would be in the position of creditor to large bodies of tenants who would be paying as much as their previous rents; and for some years there would be little or no margin of security to the State beyond the amount of the loan advanced.

In view of these considerations it has appeared to me that the scheme of State assistance to the purchase by tenants of their holdings should be subject to the following conditions:—

1. The whole of the purchase money should not be advanced by the State.

2. The term over which the repayments are to be spread should be a reasonably short one, so that the value of the interest of the new owner may rapidly increase, and the security of the State for its loan increase in the same proportion.

3. The tenant purchaser should be subject to some burthen by the operation, either by having to advance a portion of the purchase money, or by having to pay somewhat more in the shape of interest and instalments of capital than his previous rent.

4. It would be very desirable that, if any great extension is given to the scheme, some buffer should be introduced between the State and the tenant purchasers, who should be responsible for the collection of the interest, and free the State from the relation of creditor to a large body of tenant purchasers. It might be possible to effect this by the intervention of Local Authorities, or by the establishment of Credit Banks assisted by loans, on the Prussian system.

In the Committee of 1877-78 I proposed that the proportion to be advanced by the Government should be increased to three-fourths of the purchase money. The Committee went even further, and by a large majority recommended that the State should advance four-fifths of the purchase money. It was considered that the tenant's interest in his holding is always worth from five to ten years' purchase of the rent; on the purchase by the tenant of his holding, his tenant's interest is merged in the fee, and adds, therefore, to the security for the loan. Land in hand, that is, land without a tenant, always sells in Ireland for a very high price, namely, from thirty to forty times its ordinary letting value. It follows, therefore, that if twenty-five years' purchase be given by the tenant for the freehold of his holding, and if the tenant's

interest be valued at only five years' purchase of the rental, the total value of the holding when a freehold, will be thirty times the previous rent, and a good security for twenty times the rent or four-fifths of the purchase money. For example, suppose the land to be rented at £10 per annum, and the purchase money to be £250, the new owner's interest, including his tenant's interest, would be valued at £300. The Government would advance £200, repayable in thirty-five years, at 3½ per cent. The annual charge for this would be £10, of which £7 would be interest, and £3 for the sinking fund. The tenant purchaser would have to find £50. If he borrowed this elsewhere, as I believe he would do, in many cases, at 6 per cent., he would have to pay £3 in addition to his previous rent; but this would be no more than the sinking fund to get rid of his debt to the Government in thirty-five years. His position, therefore, would be a very favourable one. On these terms, and indeed on somewhat less favourable terms, I believe that a fair proportion of tenants on any well conditioned property in favourable times would be able to purchase, either paying the balance of the purchase money out of their existing means, or borrowing a portion of it from friends or from the banks.

The experience of the Church Commission in the sale of the Church lands to its tenants was that one-third of the tenants were able to produce one-fourth of the purchase money for their holdings, another one-third were able to borrow part of the balance from friends, relations, or neighbours, and the remaining one-third were unable to effect the operation or to become purchasers. Under any scheme of this kind there must always be a residue of very small and impoverished tenants who could not find any part of the purchase money. It is this residue which constitutes one of the main difficulties of any considerable extension of such a scheme. Landowners will not sell the better holdings of their properties to their tenants, if a residue of the worst and smallest holdings, scattered about among a number of small freeholds, and therefore of an unsaleable character, should be left on their hands. The experience of the Church Commissioners, in the sale of such residues, was that they fell into the hands of the very worst class of landlords, who treated their tenants with great harshness, raising their rents to the highest possible point.

The Committee felt this difficulty, and mainly on this account recommended that a Commission should be established for the purchase of whole properties, with a view to re-sell to such

nants as can afford to buy. With respect to the residues, ıe tenants should be unable to buy, the Committee usly recommended that this Commission, or the Landed Court, should be empowered to grant perpetuity leases, at ease of rent as may appear reasonable, to such very small who are unable to buy, as a protection against the class of ; who are likely to buy this kind of property, and to re- residues subject to such leases. I may mention here troduced a Bill in 1878 for the purpose of enabling (not ng) the Church Commissioners to deal with the residues hurch property in this manner, but the measure was by the late Government, and rejected by a small Mr. Parnell subsequently introduced a Bill to compel ch Commissioners to advance the whole of the purchase) tenants of these residues, repayable in fifty-five years. sure met the same fate.

ıst again repeat that such a scheme of purchase, though in favourable times of considerable extension, must be -

y the number of landowners prepared to sell upon the ered by the State;

y the amount of money which the State is prepared to with this object.

also inapplicable to the case of the small cottier tenants est of Ireland, in Donegal, Galway, and Mayo, who are in on in which a peasant proprietary would be tried under : disadvantageous circumstances, and of whom probably y small proportion would be able to advance any part of hase money. Even among the better class of tenants bable that the proportion which could now find one- f the purchase money is much less than it was four or s ago, owing to the recent bad years. Nor do I think cheme, offered alone, would satisfy the demands from We must, therefore, look in some other direction for ; of a more general character.

ership is the highest form of security to a cultivator; but ; lesser degrees of security which are capable of wider on, which might have the effect of ranging larger classes de of property.

ıis direction I think the Government would do well to what was the opinion expressed by Ireland at the General , at a time anterior to the present agitation. The election

resulted in the complete defeat, almost the annihilation, of the landlord interest. In Ulster the Moderate Liberals gained great victories. The platform on which they fought was "the definition of the Ulster Custom, in accordance with the rules and practice of the best-managed estates, and its extension to the rest of Ireland." Even those Tories in Ulster who retained their hold on the constituencies were able to do so only by adopting without reserve the same programme. No one did this more fully than Lord Castlereagh and his colleague, who thereby secured two seats for the County Down. The former has recently explained himself more fully; he has also stated that he was authorised to say that Sir Stafford Northcote, in denouncing the "three F.'s" as Fraud, Force, and Folly, had not intended to refer to Ulster. Lord Castlereagh then read from a paper the principles on which he and his party in the North of Ireland considered the Ulster Custom should be defined.

He said:—

"1. A tenant should have security of tenure, and as long as he pays a fair rent for his holding he should not be disturbed.

"2. When a dispute arises as to what is a fair rent, this dispute should be amicably settled by both parties going to an impartial court of arbitration.

"3. When a tenant wishes to sell his interest in his holding, he should be allowed to do so to the best advantage, but the landlord should have the right of approval of the incoming man.

"4. Commissioners similar to the Church Commissioners should be empowered to purchase estates as they come into the market, and re-sell to the tenant on fair and reasonable terms."

I believe that these principles represent the almost unanimous opinion of all parties in Ulster at the present time, and are what they understand by the "three F.'s," viz., Fixity of Tenure, Fair Rents, and Free Sale. Nothing less than this would, I think satisfy them, and no scheme of land reform would have the faintest chance of acceptance in Ireland which has not the approval of the Ulster people. They form the main motive power of any reform; without them nothing can be done; with them much, I believe, can be done. It may be that such proposals will not satisfy the extreme men in the rest of Ireland, but they would be concurred in by all the more moderate men; and by doing away with the distinction between Ulster and the other provinces would, in the end, I believe, give satisfaction and content.

The difficulty from an English point of view in such a proposal is the arbitration of rents, or the determination of the quantum of rent by a judicial or administrative authority. It should be recollected, however, that already under the Ulster Custom we have almost arrived at this point. The question whether a proposed rise of rent is reasonable or not, is one which has to be decided by the County Court judges as a preliminary to the question of compensation, and it often happens that both landlord and tenant go into Court upon a feigned issue as to compensation for ejectment, when their real object is to have a judicial determination as to the amount of the rent; it may be fairly urged that it would be well to avoid this circuity of action, and to allow either party to apply to the Court directly upon the question of rent. The necessity for such action has arisen from the numerous cases where landlords in Ulster have endeavoured to destroy the tenant-right of their tenants by frequent and arbitrary raising of rents, and where the tenants have been compelled to submit rather than leave their farms with the chance of obtaining compensation after a law suit. It is obvious, indeed, that a rise of rent may completely appropriate the value of the tenant's interest; and where the tenant's interest is fully recognised at law, it would seem to follow that the only way of securing such interest, in the case at least of the smaller tenants, is to put some legal restriction upon the amount of the rent. The same argument applies with equal force to the rest of Ireland as regards the value of the tenant's improvements and the tenant-right practically recognised by Clause 3 of the Land Act. There is abundant evidence to shew that the tenants as a rule will submit to any rise of rent rather than leave their homes and give up their land, and take their chance of obtaining compensation after an expensive law suit.

It seems to me, then, that whatever arguments there are in favour of defining the Ulster Custom in the manner suggested by Lord Castlereagh, apply equally to its extension to the rest of Ireland. The fact that the tenants out of Ulster have not hitherto had so full a tenant-right as in Ulster may be appraised in the rent. There is evidence, however, to shew that the rent of land subject to the Ulster Custom is at least as high as that of land not subject to the Custom. This shews that the greater security of the tenant, and a full recognition of his interest, are not inconsistent with a full rent to the landlord.

On the other hand, there are some estates out of Ulster where

the landlords have effected all the improvements, and have treated their properties on the English system, with the full concurrence of their tenants; there are others let in large grazing farms where no improvements are effected. These should be excepted from any proposed legislation. There are also some properties let at very low rents and most liberally managed, where the tenants would lose rather than gain by an arbitration of rents, and where they might prefer to remain as they are; it would be well, therefore, to provide that the proposals should only be extended to existing tenancies on the application of either landlord or tenant.

Legislation in this direction would not, I think, reduce the expediency of extending complete ownership; there would still, under the proposed system, be two classes with opposite interests, the one a very large class of tenants with identical interests, the other a very small class of landlords; it would still be desirable to multiply the number of those invested with the full ownership of land.

It is also very necessary that any measure for multiplying small ownerships of land should be accompanied by a measure for simplifying the methods of transfer, mortgaging, and other dealings with such properties.

THE

PURCHASE CLAUSES of the IRISH LAND BILL, 1881.

Extract from an article published in the NINETEENTH CENTURY REVIEW, *June*, 1881.

The purchase clauses of the Land Bill, and the facilities offered to tenants to become owners, will, if properly worked, operate to raise the value of property in Ireland, and will afford the opportunity to those who desire to part with their land to sell it to their tenants on favourable terms. It is easy to shew that if a landlord should be willing to part with his land to his tenants at a fair average price, say at twenty-two years' purchase of a fair rent, he may effect the operation so that he will receive three-quarters of the purchase-money from the State, or sixteen years' purchase, and he may leave the remaining one-fourth on mortgage of the holdings of those of his tenants who are unable to produce the balance of the purchase-money. The charge to the tenants under such an operation will be very little more than their previous rent. Every year their position will improve, and a sensible portion of the loan by the State will be repaid by the occupying purchaser, and every year the security for the remaining one-fourth of the purchase-money left on mortgage will be increased by the amount which is repaid in the annual instalment to the State. The loan of money by the State at a low rate of interest, repayable by instalments, to facilitate such purchases, is in fact a very great boon, and when properly understood must have a wide effect.

It is frequently urged, in the interest equally of landlords desirous of parting with their properties, as of tenants willing to purchase and become owners, that the terms offered by the State should be even more liberal, that the whole of the purchase-money up to a given rate should be advanced by the Government, and that the repayment by the occupying purchaser should be spread over a longer period, so that no greater burthen need be borne by the

tenant than his previous rent. A simple calculation shews that at twenty-two years' purchase of the rental, an annual payment, reckoned at three and a-half per cent., equal to the previous rent, will repay the whole of the purchase-money and free the holding from the mortgage to the State in forty-three years. If such terms were acceded to and carried out in respect of a considerable portion of Irish tenants, they would be so favourable as almost necessarily to give rise to an agitation from all others for similar treatment. Suppose, for instance, that one-fourth of the occupying tenants should become owners upon the terms of paying a fixed annual sum for forty-three years equal to their former rent; during each year a portion of the purchase-money will be repaid, and the interest of the occupying owners will be continually increased without any extra exertion or any additional burden, till at the end of the period the payment ceases, and they will be free from any charge. During the same time the remaining occupying tenants will continue to pay rent, and at the end of the term will still be rent-payers in perpetuity, liable to periodic increases of rent. The inequality of the position of the two classes would be most glaring, and would be difficult to justify. How in such case would it be possible to resist the demands of the three-fourths for the same treatment as the one-fourth? Such terms then would almost certainly result in the eventual expropriation of all landlords and the substitution for them of the State as the ostensible mortgagee, but virtual landlord for a term of years varying according to the number of years' purchase agreed to.

It is unnecessary here to dilate upon the economic and other disadvantages of expropriating all landlords. Even the Land League has abandoned the programme which it originally put forward, of universal expropriation, and confines its present claim to the expropriation of the smaller class of bad landlords, though it does not explain how the bad are to be distinguished from the good. No such transaction has been carried out elsewhere. No instance can be produced where a State has expropriated all its landowners. The agrarian changes in Europe often alluded to as precedents of this nature were of a different character. As a general rule the tenant class were already fixed upon the soil; they occupied small holdings on the condition of rendering services to the landowners in the cultivation of their much greater demesne lands; and the general effect of the change was to confirm the tenants in the possession of their holdings, and to invest them with the full rights of owners, subject to a rent-charge to their owners in commutation of the

services due to the landowner, and which rent-charge could be redeemed on favourable terms through the intervention of the State credit. The landowners on their part remained in possession of their demesne lands, and often of a share of the tenants' holdings, free from any rights or obligations to their former tenants, and able to cultivate them by free labour or to let them on farm leases to free tenants. As a general rule the landowners retained possession under these terms of about two-thirds of their former estates, and nothing in the nature of a general expropriation of the class took place.

The existing condition of Ireland presents little analogy to that of Germany and Russia before the agrarian changes of those countries. The Irish landowners have but a very small extent of demesne land, as distinct from that let to tenants. The conversion of all tenants into owners by aid of a State loan would therefore be relatively a far greater and very different operation, and would result in the virtual expropriation of all the landlord class, who would cease to have a *raison d'être* in the country; and under such a scheme Ireland would be reduced at once to a dead level of small owners, paying for a long period of years their previous rent to the State in redemption of the purchase money; and as the loan for carrying out an immense operation of this kind would necessarily be raised out of Ireland, the economical result would be that for a length of time the whole of what is now the rent of that country would be remitted out of it in payment of interest, and the principal evils of absenteeism would be multiplied fourfold. It follows from these considerations that any general scheme of expropriation of landlords would be economically disastrous to Ireland, and that the terms offered by the State to assist in the conversion of tenants into owners must not be such as to lead necessarily to its universal application. The terms already offered by the Bill are most favourable to occupying tenants desirous of buying and to landlords desirous of selling. They are likely to have considerable effect, but they are properly scuh as to throw some immediate though small burthen upon tenant purchasers, and will not, it is believed, lead to a further agitation from those who remain as tenants.

LETTER TO PROFESSOR BALDWIN

ON THE

PURCHASE CLAUSES OF THE IRISH LAND ACT.

23rd September, 1881.

DEAR SIR,

I have always been of opinion that such a scheme as you suggest of a company for the purpose of lending the remaining one-fourth of the purchase money to the tenant purchasing from his landlord would not only be feasible, but most expedient, and most easy to carry into effect.

It was mainly at my instance that the clause in the Act of 1870 which prohibited purchasers mortgaging or charging their holdings while subject to the charge to the State, was repealed in the recent Act, or rather, I should say, not renewed; and the main object in this was to facilitate operations such as you have in view. There were objections to the State lending the whole of the purchase money, which I need not now dilate upon, but there was every reason to expect that Banks or Companies formed for the purpose, or landlords desirous of facilitating such arrangements, would supply the deficiency and lend the remaining one-fourth to tenant purchasers, and would act as buffers to the State in the event of their getting into difficulties.

As you point out, when the tenant's interest in his holding is taken into consideration, there will be ample security for a loan of the remaining one-fourth of the purchase money; *e.g.* Suppose the rent of the farm to be £50 per annum, and the number of years' purchase agreed upon between landlord and tenant to be twenty-two, the purchase money will be £1,100. Of this the State will advance £825, on which the charge for thirty-five years will be £41 per annum, or £9 less than the previous rent.

There remains £275 to be found by the tenant purchaser. His tenant's interest, however, as you point out, is in all cases worth seven years' purchase of the rental, generally more, and in

Ulster from twelve to fifteen years' purchase. There will, therefore, be a minimum security of £625, on which £275 may be safely lent.

Supposing the charge for this to be 6 per cent., which is a high rate, the annual interest payable would be £16; this, added to the £41 payable to the State, would make the total annual payment of the tenant purchaser £57 in lieu of £50 in the shape of his rent.

It should be recollected, however, that of the £41 payable to the State for thirty-five years, £12 represents in the first year the repayment of a part of the capital sum, and £29 represents the interest on the £825 at 3½ per cent., and the proportion of the £41 representing repayment of capital annually increases till the thirty-fifth payment represents wholly repayment of capital and no interest. Practically, therefore, the tenant in the first year would pay £45 in the shape of interest in lieu of £50 rent, and £12 in the shape of part payment of the purchase money as an investment. The transaction, therefore, is eminently favourable to the tenant purchaser. Every year his position is greatly improved, and at the end of thirty-five years his holding will be free of payment to the State, and subject only to the mortgage to the Bank for one-fourth of the value, on the supposition that he should not have been able to pay it off. On the other hand, the position of the Bank or other body who should advance the remaining one-fourth will also continually improve. Every year will add to the value of the security, and even in the first year the holding is increased in value by more than the interest on the one-fourth advanced. If, therefore, a bad year should occur the lender may well agree to allow the interest for that year to be added to the loan, and the security will not be diminished in value. It should be recollected that the tenant's interest merges in the fee.

If I were the owner of Irish property I should at once enter into negociation with my tenants to sell to them upon some such terms, and I am satisfied that if popularly explained the tenants would see how greatly the arrangement would be to their interest. If 5 per cent. only should be charged upon the second mortgage, the position of the tenant purchaser would be even better.

Yours very truly,

(Signed) G. SHAW LEFEVRE.

Professor Baldwin.

TABLE

Shewing for each year the position of an occupying owner of a holding valued at £10 per annum, who has bought the landlord s interest at twenty-three times the rental, £230, of which three-fourths (£173) have been advanced by the Government, repayable by equal annual instalments of £8 12s. spread over thirty-five years, the interest being calculated at 3½ per cent. The tenant's interest in his holding before purchase is estimated at seven times the rental, £70. On purchase this is merged in the freehold.

	1. Amount of principal sum due at the commencement of each year to the Government.	2. Value of the occupying owner's interest after deducting amount due to the Government.	3. Interest payable to the Government on amount owing at the commencement of each year at 3½ per cent.	4. Amount payable to Sinking Fund to extinguish debt in thirty-five years.
	£ s.	£ s.	£ s.	£ s.
1st Year.	173 0	127 0	6 0	2 12
2nd ,,	170 8	129 12	5 19	2 13
3rd ,,	167 15	132 5	5 18	2 14
4th ,,	165 1	134 19	5 16	2 16
5th ,,	162 5	137 15	5 15	2 17
6th ,,	159 8	140 12	5 13	2 19
7th ,,	156 9	143 11	5 11	3 1
8th ,,	153 8	146 12	5 9	3 3
9th ,,	150 5	149 15	5 6	3 5
10th ,,	146 19	153 1	5 3	3 7
11th ,,	143 10	156 10	5 0	3 12
12th ,,	139 18	160 2	4 18	3 14
13th ,,	136 4	163 16	4 15	3 17
14th ,,	132 7	167 13	4 12	4 0
15th ,,	128 7	171 13	4 9	4 3
16th ,,	124 4	175 16	4 6	4 6
17th ,,	119 18	180 2	4 4	4 8
18th ,,	115 10	184 10	4 1	4 11
19th ,,	110 19	189 1	3 17	4 15
20th ,,	106 4	193 16	3 13	4 19
21st ,,	101 5	198 15	3 10	5 2
22nd ,,	96 3	203 19	3 7	5 5
23rd ,,	90 18	209 2	3 3	5 9
24th ,,	85 9	214 11	2 19	5 13
25th ,,	79 16	220 4	2 16	5 16
26th ,,	74 0	226 0	2 12	6 0
27th ,,	68 0	232 0	2 8	6 4
28th ,,	61 16	238 4	2 3	6 9
29th ,,	55 7	244 13	1 18	6 14
30th ,,	48 13	251 7	1 13	6 19
31st ,,	41 14	258 6	1 7	7 5
32nd ,,	34 9	265 11	1 2	7 10
33rd ,,	26 19	273 1	0 16	7 16
34th ,,	19 3	280 17	0 12	8 0
35th ,,	11 3	288 17	0 6	8 6